

# CONTROLLER JOHN CHIANG

## STATE OF CALIFORNIA

300 Capitol Mall  
Sacramento, CA 95814  
916.445.2636  
[www.controller.ca.gov](http://www.controller.ca.gov)

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CONTACT: HALLYE JORDAN  
916-445-2636

## Controller Unveils Major Reforms to Reunite Owners with Unclaimed Property

*Signed Budget Will Let Controller Locate and Contact Owners*

**SACRAMENTO** – Controller John Chiang today announced sweeping reforms to the State’s Unclaimed Property Program, and said a budget bill approved by the Legislature is a crucial first step in ensuring individuals are quickly reunited with their lost and abandoned cash, securities and other valuables.

“I share the public’s outrage that a program that should be reuniting people with their lost property has turned into a roadblock that prevents my office from telling 650,000 individuals each year that their stocks, bonds, cash and family heirlooms are available to be claimed,” Chiang said. “These reforms – the most pro-property owner legislation in two decades – will ensure the State once again puts the people first.”

A bill in the state budget package approved by the Legislature on Tuesday will lift restrictions that prevent the Controller from locating and contacting owners of abandoned property sent to the state. Under current law, the Controller can only contact owners if the Franchise Tax Board has a different address for the owner than the one provided by the bank, utility company or other business that transferred the property to the State.

Chiang said his staff has worked to identify current addresses and is poised to send up to 26,000 new notices to owners of securities and safe deposit boxes as soon as the Governor signs the budget trailer bill, SB 86. Another 1,300 notices to educational institutions and charitable organizations, valued at a total of \$670,000, are stamped and ready to be mailed out, as are notices to 361 owners of stocks and other securities valued at more than \$5 million.

Under SB 86, the Controller’s Office will be required to send notices to owners before their property is sent to the State, urging them to contact the business to claim their property. The budget bill also contains funding to restore the locator unit dismantled in 1983, and authorizes the Controller’s office to aggressively find property owners by using Internet search engines, commercial databases, and public agency records.

“But those are only the first steps, and there are many more reforms we must make to help protect property owners,” Chiang said.

Chiang drafted and is sponsoring SB 919 (Sen. Mike Machado, D-Linden) to increase penalties for businesses that fail to protect their customers’ property and restore paying interest on claims.

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Controller Chiang also is pursuing additional safeguards that would require financial institutions to notify their customers when they open accounts that, if left inactive, accounts may be considered “abandoned” and sent to the State. He also is seeking to prohibit banks from sending safe deposit boxes that haven’t been accessed if the owner has other accounts that are active.

After taking office in January, Controller Chiang immediately initiated a policy prohibiting the sale, destruction or conversion to cash of any securities and safe deposit box contents until the owners have been notified and given an opportunity to claim their property. Both SB 86 and SB 919 will put those safeguards in statute by prohibiting the liquidation of any property until after notices have been sent to the owners.

In addition to the legislative reforms he is sponsoring, the Controller unveiled a “Property Owners Bill of Rights,” and announced that he would soon be establishing a Property Owner Advocate to assist owners who have difficulty proving their claims.

Controller Chiang also announced he is partnering with AARP and broadcast and cable news associations to develop and distribute Public Service Announcements to educate Californians about how to claim their property, and protect it from being sent to the State.

Enacted in 1959 across the nation, the original intent of the Unclaimed Property Laws was to safeguard private property from being lost during mergers or bankruptcies, drawn down by “service” or “storage” fees, or simply used by private interests for personal gain – either through an unwillingness to find the owner or just plain greed. During the past 20 years, the Legislature enacted laws that restrict the Controller’s ability to notify and return property to the rightful owners.

Fact sheets on [SB 86](#), the Controller’s [other reform proposals](#), the [Property Owners’ Bill of Rights](#), and the [legislative history](#) of the Unclaimed Property Program are available on the Controller’s Web site at [www.sco.ca.gov](http://www.sco.ca.gov).

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